UNITED NATIONS

Framework Convention on Climate Change

Distr.
GENERAL

FCCC/SBI/1997/INF.2
25 July 1997

ENGLISH ONLY

SUBSIDIARY BODY FOR IMPLEMENTATION
Sixth session
Bonn, 28 July - 5 August 1997
Item 7 (a) of the provisional agenda

ADMINISTRATIVE AND FINANCIAL MATTERS

Review of Administrative Arrangements

Note by the secretariat

A. Introduction

1. The Secretary-General of the United Nations proposed arrangements for administrative support to the Convention secretariat (see FCCC/CP/1995/5/Add.4) which were provisionally accepted by the Conference of the Parties (COP) at its first session in decision 14/CP.1 and, after further review, noted by the General Assembly in resolution 50/115. These arrangements provide for a wide delegation of authority on personnel and financial matters from the Secretary-General to the Executive Secretary and for an administrative overhead charge of 13 per cent to be levied on the funds of the Convention. Drawing on the proceeds of this charge, the United Nations provides full administrative support services to the Convention secretariat, including administrative staff.

2. The arrangements foresaw that the services provided by the United Nations would evolve to cover the administrative needs resulting from the decentralized functioning of the secretariat in Bonn. The Secretary-General proposed that a review be undertaken by the Department of Administration and Management (DAM) and the Convention secretariat to ascertain the way in which administrative functions could best be shared on a long-term basis between the central United Nations services and the Convention secretariat in Bonn. This review is to address the adequacy of the programme support charge in relation to the costs of

the administrative services provided by the United Nations. The findings of this review are to be reported to the General Assembly and to the COP in 1997 and reflected in the proposed programme budget of the Convention for the biennium 1998-1999. (See A/50/716, paragraph 38).

3. In accordance with the above, a review of current administrative arrangements is being conducted jointly by DAM and the Convention secretariat with the participation of the United Nations Office at Geneva (UNOG). The interim results of the review are reflected in the present document.

B. Delegation of authority and division of tasks

4. The delegation of authority and responsibility on personnel and financial matters, including procurement, between the United Nations and the Convention secretariat is set out in document FCCC/CP/1995/5/Add.4. Under this arrangement, financial, common support, recruitment and personnel administration services are provided by UNOG. The secretariat considers that the arrangement described in that document is working satisfactorily. Such problems as have arisen are transactional in nature and mainly concern issues of timing and of communication and do not, in themselves, affect the validity of the distribution of functions as set out in that document.

5. Since relocating to Bonn, the secretariat has been building its administrative capacity. Until recently, its main areas of responsibility in this regard have been:

(a) Finance - contribution and accounts monitoring and notification, issuance of allotments, maintenance of local imprest account and local payments;

(b) Personnel - short-term contracts, local consultants, staff relations, input to UNOG on recruitment and consultants and the Appointment and Promotion Board;

(c) Procurement - purchasing (up to $50,000) and inventory; and

(d) Liaison with the host Government.

The secretariat is also active in other administrative areas for which it relies on UNOG for final clearance or administrative action.

6. The authority to approve travel and the travel package now rest with the secretariat in Bonn. Thus, for travel of staff and participants and the issuance of travel advances, the authorization of UNOG is no longer required and all actions are taken in Bonn. This has been further facilitated by the selection of a travel agent, through competitive bidding, to serve the needs of the United Nations entities in Bonn. This travel agency commenced operations at the United Nations premises in Bonn on 7 July 1997.

7. There are a number of transactional problems involved in bureaucratic communication between Geneva and Bonn which result in delays. The secretariat is exploring with UNOG the most efficient and cost effective ways to address these problems. Some of these problems will be alleviated by the introduction of the United Nations Integrated Management Informations System (IMIS). However, access to IMIS from Bonn is not yet possible at a reasonable cost, which adds to the burden of the secretariat's administrative liaison unit in Geneva. The secretariat is actively pursuing with UNOG how such access could be achieved before the financial phase of IMIS is implemented in 1998.

8. However, there may remain some areas in which it makes sense for further responsibilities to shift from UNOG to the secretariat in Bonn, particularly concerning personnel, provided that the secretariat has sufficient resources to carry out these tasks efficiently and effectively. Such tasks may include fixed term contracts and consultancies.

9. It is worth recalling that there are some tasks, such as payroll, which are currently best done by UNOG owing to their complexity and the need for specialization. Still others are most appropriately performed independently outside the secretariat in order to maintain common United Nations standards. These include post classification, audit and oversight.

C. Overhead and overhead-funded posts

10. Expenditures of the Convention secretariat from all sources of funds were recorded at $7,864,000 in 1996. The resulting 13 per cent overhead charge amounted to slightly over one million dollars. Expenditures, and the resulting payment to the United Nations, will be higher in 1997, although exact figures are not yet available. In exchange for the overhead charge, the secretariat receives services from the United Nations in a number of areas such as recruitment, classification of posts, payroll and entitlements, some contract processing, maintenance of official accounts, receipt of contributions, procurement over $50,000, audit and oversight.

11. In 1996, overhead funds were returned to the secretariat to finance the costs of one professional and two general service administrative posts approved in the core budget. As already reported to the Subsidiary Body for Implementation (SBI) (see FCCC/SBI/1997/3, paragraph 77), the United Nations has agreed to provide for an additional professional and two general service posts in 1997. For the biennium 1996-1997, overhead funds totalling $723,000 have been returned to the secretariat, amounting to about one third of the estimated overhead paid. Funding for additional posts is being sought for 1998, in order to more accurately reflect the level of administrative tasks currently being undertaken by the secretariat in Bonn.

D. Office space

12. The secretariat occupies offices at the United Nations premises in Bonn, located in Haus Carstanjen, provided rent-free by the Government of Germany. The United Nations Volunteers Programme (UNV) is entrusted with responsibility for the local management of the premises, and will act on the basis of advice provided by a Premises Management Committee comprising representatives of each of the participating organizations. A number of housekeeping and other support functions are performed under single management in the interest of all occupants of the premises and of general efficiency. These functions include space allocation, minor maintenance and repairs, cleaning and security services, the diplomatic pouch, a mail franking system, the operation of the main telephone switchboard, and contracting of travel services. The Convention secretariat's share of related expenditure in 1998, including utility costs, is estimated at about $500,000 (see FCCC/SBI/1997/10 and FCCC/SBI/1997/INF.1). A Memorandum of Understanding on common services between the four occupants of the premises has been signed.

E. Conclusion

13. The SBI may wish to take note of the information contained in this report and comment thereon. The Executive Secretary will report to the SBI at its seventh session on the results of his further discussions with the United Nations on administrative arrangements.

- - - - -